



PRESS RELEASE

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IRS – Criminal Investigation

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Former Executive Sentenced for Conspiracy to Bribe Panamanian Officials

A former regional director of the technology company SAP International Inc. was sentenced to prison today for his role in a scheme to bribe Panamanian officials to secure the award of government technology contracts.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, Acting U.S. Attorney Brian J. Stretch of the Northern District of California, Special Agent in Charge George L. Piro of the FBI's Miami Division and Acting Special Agent in Charge Thomas McMahon of Internal Revenue Service-Criminal Investigation (IRS-CI) made the announcement.

Vicente Eduardo Garcia, 65, of Miami, was sentenced to 22 months in prison by U.S. District Judge Charles R. Breyer of the Northern District of California. On Aug. 12, 2015, Garcia pleaded guilty to one count of conspiracy to violate the Foreign Corrupt Practices Act (FCPA). On July 15, 2015, Garcia and the U.S. Securities and Exchange Commission (SEC) entered into a settlement of the parallel SEC investigation in which Garcia agreed, among other things, to pay disgorgement of \$85,965 plus prejudgment interest. For this reason, the United States did not request, and the court did not order, forfeiture in the criminal action.

In his plea, Garcia admitted that in late 2009, to secure for SAP a multimillion-dollar contract to provide a Panamanian state agency with a technology upgrade package, Garcia conspired with others to bribe two Panamanian government officials directly and a third official through an agent. Garcia admitted that the conspirators used sham contracts and false invoices to disguise the true nature of the bribes and that he believed paying such bribes was necessary to secure the initial and any future Panamanian government contracts. Panamanian officials awarded the \$14.5 million contract, which included \$2.1 million in SAP software licenses, to SAP's partner as well as subsequent contracts that also included the provision of SAP products. Garcia personally received over \$85,000 in kickbacks for arranging the bribes.

The FBI and IRS-CI investigated the case. Trial Attorney Aisling O'Shea of the Criminal Division's Fraud Section and Assistant U.S. Attorney Adam A. Reeves of the Northern District of California are prosecuting the case. The Criminal Division's Office of International Affairs and the SEC, which previously announced separate civil charges against Garcia, provided assistance.

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